

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA

VENUE: SAN FRANCISCO
Jose

FILED

DEC 17 2009

RICHARD W. WIEKING
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

v.

CR09

1195

JF

RODNEY HATFIELD and
LLOYD MYERS,

RS

**SEALED BY ORDER
OF COURT**

DEFENDANT(S).

INDICTMENT

VIOLATIONS: 18 U.S.C. § 1349 (Conspiracy to Commit Wire Fraud); 18 U.S.C. § 1343 (Wire Fraud); 18 U.S.C. § 981(a)(1)(C) (Criminal Forfeiture); 18 U.S.C. § 982(a)(2) (Criminal Forfeiture); 28 U.S.C. § 2461(c) (Criminal Forfeiture); 21 U.S.C. § 853(p)(1), (a)(2) (Criminal Forfeiture)

A true bill.

Lynda Benjamin
Foreman

Filed in open court this 17 day of

December 2009
Daren L. HGM

KAREN L. HGM

JOSEPH C. SPERO

Clerk

UNITED STATES MAGISTRATE JUDGE

Bail, \$

*no bail/arrest warrants
for both
defendants*

DOCUMENT NO.	CSA's INITIALS
<i>1</i>	
DISTRICT COURT CRIMINAL CASE PROCESSING	

JOSEPH P. RUSSONIELLO (CSBN 44332)
United States Attorney

E-filing
**SEALED BY ORDER
OF COURT**

FILED
DEC 17 2009
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

CR09

1195

JF

RS

UNITED STATES OF AMERICA,

Plaintiff,

v.

RODNEY HATFIELD and
LLOYD MYERS,

Defendants.

No. CR

VIOLATIONS:

18 U.S.C. § 1349 (Conspiracy to Commit
Wire Fraud); 18 U.S.C. § 1343 (Wire
Fraud); 18 U.S.C. § 981(a)(1)(C) (Criminal
Forfeiture); 18 U.S.C. § 982(a)(2) (Criminal
Forfeiture); 28 U.S.C. § 2461(c) (Criminal
Forfeiture); 21 U.S.C. § 853(p)(1), (a)(2)
(Criminal Forfeiture)

SAN JOSE VENUE

INDICTMENT

The Grand Jury charges:

Relevant Individuals and Entities

1. At all relevant times, Landmark Trading Company, LLC ("Landmark") was a California limited liability company registered with the California Secretary of State on or about October 14, 2003.

2. At all relevant times, RODNEY HATFIELD was a "Managing Member" and "Manager" of Landmark Trading Company, LLC ("Landmark") and resided in or near

1 Watsonville, California.

2 3. At all relevant times, LLOYD MYERS was a "Managing Member" and
3 "Manager" of Landmark and resided in or near Rio Linda, California.

4 4. RODNEY HATFIELD and LLOYD MYERS organized Landmark for the stated
5 purpose of offering an "ownership interest" in Landmark and using the proceeds generated from
6 investors to engage in trading on the foreign currency exchange markets.

7 5. At all relevant times, Comerica Bank ("Comerica") was a financial institution
8 engaged in interstate commerce in the Northern District of California and elsewhere. Landmark
9 maintained an account at Comerica.

10 6. At all relevant times, Xpresstrade LLC ("Xpresstrade") was an online
11 commodities brokerage trading service engaged in interstate commerce in the Northern District
12 of California and elsewhere. Landmark maintained an account at Xpresstrade.

13 7. RODNEY HATFIELD and LLOYD MYERS owed fiduciary, agency and other
14 legal, statutory and contractual duties of trust, loyalty, confidence, and full disclosure to
15 Landmark investors.

16 The Business of Landmark

17 8. Landmark classified each of its investors as a "Member."

18 9. RODNEY HATFIELD and LLOYD MYERS took investors' money with the
19 promise of pooling the funds into a common trading account under the name and for the benefit
20 of Landmark and its constituent members. A Member's individual ownership interest in
21 Landmark was purportedly based on the amount he or she invested, as a percentage of the total
22 funds invested in Landmark by all investors. RODNEY HATFIELD and LLOYD MYERS
23 advised investors that they would receive profits from the trading gains of the Landmark account,
24 on a pro rata basis.

25 10. RODNEY HATFIELD and LLOYD MYERS generated a standard document that
26 they provided to investors at the time of the investors' initial and subsequent investments in
27 Landmark, entitled "Landmark Trading Company LLC Member Agreement" ("the Agreement").
28

12. RODNEY HATFIELD and LLOYD MYERS electronically transmitted to investors periodic account statements purporting to reflect recent trading performance as well as the overall value of the Member's investment in Landmark, based on the original investment principal plus the purported gains from trading.

13. Beginning on or about October 2003 and continuing through at least on or about December 23, 2008, RODNEY HATFIELD and LLOYD MYERS knowingly devised a material scheme and artifice to defraud investors, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

14. RODNEY HATFIELD and LLOYD MYERS obtained a total of approximately \$5 million from investors for the stated purpose of trading in foreign currency.

15. In the process, RODNEY HATFIELD and LLOYD MYERS made false statements about Landmark's trading history and performance, failed to invest those funds as promised, failed to report Landmark's trading losses, and converted in excess of approximately half a million dollars of the investors' funds for their own personal benefit.

16. Through written and oral communications, RODNEY HATFIELD and LLOYD MYERS created the false and misleading appearance that Landmark was successfully engaging

in trading on the foreign currency exchange market, generating regular, net positive monthly returns and increasing the overall value of each Member's investment in Landmark. In truth, as RODNEY HATFIELD and LLOYD MYERS knew, Landmark had suffered significant losses in its foreign currency exchange trades at Xpresstrade and the value of the Members' investors had, in fact, declined.

17. Specifically, or about July 2005, RODNEY HATFIELD individually advised Members of their respective balances in Landmark, representations that collectively totaled approximately \$1,242,000; in reality, RODNEY HATFIELD and LLOYD MYERS had access to no more than approximately \$538,515. This same pattern continued for the next eighteen months, as follows:

Approximate Date	Purported Approximate Value Reported on All Landmark Accounts	True Approximate Value of All Landmark Accounts
December 2005	\$2,040,000.00	\$592,211.00
March 2006	\$1,943,000.00	\$141,792.00
July 2006	\$1,685,000.00	\$167,916.00
December 2006	\$2,029,123.00	\$53,210.00
February 2007	\$2,106,000.00	\$115,097.00

18. It was a part of the scheme to defraud that, among other conduct, RODNEY HATFIELD and LLOYD MYERS:

(A) deceived investors by sending to them, by electronic mail, account statements, which lulled investors into a false sense of security by creating the appearance that Landmark was engaging in successful currency trading and otherwise acting to preserve and increase the Members' investment monies, when in truth, as RODNEY HATFIELD and LLOYD MYERS knew, Landmark had consistently negative returns in its trading account with Xpresstrade and the overall value of the Members' investments had declined, and continued to decline, significantly;

(B) deceived investors by promising to obtain permission to invest Members' funds in real estate, when in truth, as RODNEY HATFIELD and LLOYD MYERS knew, Landmark diverted hundreds of thousands of dollars of Members' investment funds to real estate

ventures controlled by RODNEY HATFIELD and LLOYD MYERS without notice to, or authorization from, Landmark investors;

(C) misrepresented to Landmark investors that only a small portion of the Members' investment funds would be engaged in active foreign currency exchange trading and that the vast majority of funds would remain in a bank account for the benefit of Landmark, when in truth, as RODNEY HATFIELD and LLOYD MYERS knew, Landmark traded substantially greater amounts through its Xpresstrade account than it had promised its Members;

(D) misrepresented to Landmark investors that Landmark had retained the services of experienced foreign currency exchange traders, when in truth, as RODNEY HATFIELD and LLOYD MYERS knew, Landmark never retained the services of any trader to assist RODNEY HATFIELD and LLOYD MYERS in Landmark's trading activities; and,

(E) misrepresented to investors that their money would be invested only in Landmark's bank accounts and in its foreign currency trading account, when in truth, as RODNEY HATFIELD and LLOYD MYERS knew, the defendants had improperly diverted investor funds for their personal use, including speculative real estate schemes.

19. As of on or about December 23, 2008, as a result of their fraudulent scheme, RODNEY HATFIELD and LLOYD MYERS had suffered approximately \$1 million in unreported trading losses and diverted in excess of approximately half a million dollars to their personal benefit in order to buy real estate and automobiles and to pay personal expenses.

COUNT ONE: 18 U.S.C. § 1349 (Conspiracy to Commit Wire Fraud)

20. Paragraphs 1 through 19 are realleged as if fully set forth herein.

21. From on or about October 2003 through on or about December 23, 2008, in the Northern District of California and elsewhere, the defendants,

RODNEY HATFIELD
and
LLOYD MYERS,

did knowingly and intentionally attempt and conspire with other persons known and unknown to the grand jury to commit an offense against the United States, to wit, wire fraud, in violation of

1 Title 18, United States Code, Section 1343.

2 Object of the Conspiracy

3 22. It was a part and object of the conspiracy that RODNEY HATFIELD
4 and LLOYD MYERS, having devised and intending to devise a material scheme and artifice to
5 defraud, and for obtaining money and property by means of materially false or fraudulent
6 pretenses, representations, and promises, transmitted and caused to be transmitted by means of
7 wire, radio, and television communication in interstate or foreign commerce, writings, signs,
8 signals, pictures, and sounds for the purpose of executing such scheme or artifice, in violation of
9 Title 18, United States Code, Section 1343.

10 Overt Acts of the Conspiracy

11 23. In furtherance of the conspiracy and to effect the illegal object thereof,
12 RODNEY HATFIELD and LLOYD MYERS committed and caused others to commit the
13 following overt acts, among others, in the Northern District of California and elsewhere:

14 (A) On or about March 8, 2005, caused an interstate wire transfer of \$15,000
15 to be made from Landmark's Comerica Account Number ending in 5681 to RODNEY
16 HATFIELD's Comerica Account Number ending in 6382;

17 (B) On or about May 6, 2005, caused an interstate wire transfer of \$15,000 to
18 be made from Landmark's Comerica Account Number ending in 5681 to RODNEY
19 HATFIELD's Comerica Account Number ending in 6382;

20 (C) On or about May 6, 2005, caused a cash withdrawal payable to RODNEY
21 HATFIELD in the amount of \$25,000 to be made from Landmark's Comerica Account Number
22 ending in 5681;

23 (D) On or about July 18, 2005, caused a cash withdrawal payable to RODNEY
24 HATFIELD in the amount of \$17,000 to be made from Landmark's Comerica Account Number
25 ending in 5681;

26 (E) On or about July 19, 2005, caused a cash withdrawal payable to RODNEY
27 HATFIELD in the amount of \$10,000 to be made from Landmark's Comerica Account Number
28 ending in 5681;

1 (F) On or about July 21, 2005, caused a cash withdrawal payable to RODNEY
2 HATFIELD in the amount of \$10,000 to be made from Landmark's Comerica Account Number
3 ending in 5681;

4 (G) On or about October 31, 2005, caused a cash withdrawal payable to
5 RODNEY HATFIELD in the amount of \$100,000 to be made from Landmark's Comerica
6 Account Number ending in 5681;

7 (H) On or about November 7, 2005, caused an interstate wire communication
8 to be transmitted to e-mail account for Investor A, containing Investor A account statement;

9 (I) On or about November 22, 2005, caused an interstate wire transfer of
10 \$224,985.00 to be made from Landmark's Comerica Account Number ending in 5681 to
11 RODNEY HATFIELD's Comerica Account Number ending in 6382;

12 (J) On or about January 3, 2006, caused an interstate wire communication
13 to be transmitted to e-mail account for Investor A, containing Investor A account statement;

14 (K) On or about January 24, 2006, caused an interstate wire transfer of
15 \$30,000.00 to be made from Landmark's Comerica Account Number ending in 5681 to
16 RODNEY HATFIELD's Comerica Account Number ending in 6382;

17 (L) On or about January 30, 2006, caused an interstate wire transfer of
18 \$50,000.00 to be made from Landmark's Comerica Account Number ending in 5681 to
19 RODNEY HATFIELD's Comerica Account Number ending in 6382;

20 (M) On or about February 13, 2006, caused an interstate wire transfer of
21 \$60,000.00 to be made from Landmark's Comerica Account Number ending in 5681 to
22 RODNEY HATFIELD's Comerica Account Number ending in 6382;

23 (N) On or about March 16, 2006, caused an interstate wire transfer of
24 \$20,000.00 to be made from Landmark's Comerica Account Number ending in 5681 to
25 RODNEY HATFIELD's Comerica Account Number ending in 6382;

26 (O) On or about August 15, 2006, caused an interstate wire communication to
27 be transmitted to e-mail account for Investor B, containing Investor B account statement;

28 (P) On or about August 16, 2006, caused an interstate wire transfer of

1 \$24,985.00 to be made from Landmark's Comerica Account Number ending in 5681 to
 2 RODNEY HATFIELD's Comerica Account Number ending in 6382;

3 (Q) On or about November 9, 2006, caused an interstate wire communication
 4 to be transmitted to e-mail account for Investor B, containing Investor B account statement;

5 (R) On or about December 9, 2006, caused an interstate wire communication
 6 to be transmitted to e-mail account for Investor A, containing Investor A account statement;

7 (S) On or about December 22, 2006, caused an interstate wire communication
 8 to be transmitted to e-mail account for Investor B, containing Investor B account statement;

9 (T) On or about January 16, 2007, caused an interstate wire communication to
 10 be transmitted to e-mail account for Investor A, containing Investor A account statement;

11 (U) On or about January 17, 2007, caused an interstate wire communication to
 12 be transmitted to e-mail account for Investor A, containing information relative to Investor A
 13 account;

14 (V) On or about February 16, 2007, caused an interstate wire communication
 15 to be transmitted to e-mail account for Investor A, containing Investor A account statement; and,

16 (W) On or about February 21, 2007, caused an interstate wire communication
 17 to be transmitted to e-mail account for Investor C, containing account information.

18 All in violation of Title 18, United States Code, Section 1349.
 19

20 COUNTS TWO THROUGH TEN: 18 U.S.C. § 1343 (Wire Fraud)

21 24. The factual allegations of paragraphs 1 through 23 are realleged as if fully set
 22 forth herein.

23 25. On or about the dates set forth below, in the Northern District of California and
 24 elsewhere, the defendants,

25 RODNEY HATFIELD
 26 and
 LLOYD MYERS

27 and others known and unknown to the grand jury, having devised and intending to devise a
 28 material scheme and artifice to defraud, and for obtaining money and property by means of

1 materially false or fraudulent pretenses, representations, and promises, transmitted and caused to
 2 be transmitted by means of wire, radio, and television communication in interstate or foreign
 3 commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such
 4 scheme or artifice, in violation of Title 18, United States Code, Section 1343, to wit:

Count	Wire Date	Description
Two	November 7, 2005	interstate wire communication to e-mail account for Investor A, containing Investor A account statement
Three	January 3, 2006	interstate wire communication to e-mail account for Investor A, containing Investor A account statement
Four	August 15, 2006	interstate wire communication to e-mail account for Investor B, containing Investor B account statement
Five	November 9, 2006	interstate wire communication to e-mail account for Investor B, containing Investor B account statement
Six	December 9, 2006	interstate wire communication to e-mail account for Investor A, containing Investor A account statement
Seven	December 22, 2006	interstate wire communication to e-mail account for Investor B, containing Investor B account statement
Eight	January 16, 2007	interstate wire communication to e-mail account for Investor A, containing Investor A account statement
Nine	January 17, 2007	interstate wire communication to e-mail account for Investor A, containing information relative to Investor A account
Ten	February 21, 2007	interstate wire communication to e-mail account for Investor C, containing account information

21 All in violation of Title 18, United States Code, Section 1343.

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 FORFEITURE ALLEGATION: 18 U.S.C. §§ 981(a)(1)(C), 982 (a)(2) and 28
 2 U.S.C. § 2461(c) (Criminal Forfeiture)

3 26. The allegations of Counts One through Ten of this Indictment are realleged and
 4 by this reference fully incorporated herein for the purpose of alleging forfeiture pursuant to the
 5 provisions of 18 U.S.C. §§ 981(a)(1)(C), 982(a)(2) and 28 U.S.C. § 2461(c).

6 27. Upon a conviction of any of the offenses alleged in Counts One through Ten, the
 7 defendants,

8 RODNEY HATFIELD
 9 and
 LLOYD MYERS,

10 shall forfeit to the United States all property, constituting and derived from proceeds traceable to
 11 said offenses.

12 SUBSTITUTE ASSETS

13 28. If, as a result of any act or omission of the defendants, any of the property
 14 described in the above Forfeiture Allegation

- 15 a. cannot be located upon the exercise of due diligence;
- 16 b. has been transferred or sold to or deposited with, a third person;
- 17 c. has been placed beyond the jurisdiction of the Court;
- 18 d. has been substantially diminished in value; or
- 19 e. has been commingled with other property which cannot be divided without
 20 difficulty;

21 any and all interest defendants have in any other property, up to value of the property described
 22 above, shall be forfeited to the United States pursuant to 21 U.S.C. § 853(p), as incorporated by

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 18 U.S.C. §§ 982(b)(1) and 28 U.S.C. § 2461(c).

2
3 DATED:

A TRUE BILL.

4 *December 17, 2009*

Lynda Benjamin

5 FOREPERSON

6
7 JOSEPH P. RUSSONIELLO
United States Attorney

8
9 *Brian J. Stretch*
10 BRIAN J. STRETCH
11 Chief, Criminal Division

12 (Approved as to form: *Timothy J. Lucey*)

AUSA Timothy J. Lucey

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT
☐ SUPERSEDING
OFFENSE CHARGED**VIOLATION:**

Count 1: Title 18 USC, Section 1349 - Conspiracy to Commit Wire Fraud

Counts 2-10: Title 18 USC, Section 1343 - Wire Fraud

- ☐
- Petty
-
- ☐
- Minor
-
- ☐
- Misdemeanor
-
- ☒
- Felony

PENALTY: Up to 20 years imprisonment; Fine \$250,000; Supervised Release up to 3 years and \$100 Special Assessment.
E-filing

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

DEC 17 2009

DEFENDANT U.S.

RODNEY HATFIELD

 RICHARD W. WIEKING
 CLERK, U.S. DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA

DISTRICT COURT NUMBER

CR09

1195

JF

DEFENDANT

RS

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

- 1)
- ☒
- If not detained give date any prior summons was served on above charges

- 2)
- ☐
- Is a Fugitive

- 3)
- ☐
- Is on Bail or Release from (show District)

IS IN CUSTODY

- 4)
- ☐
- On this charge

- 5)
- ☐
- On another conviction

☐ Federal ☐ State

- 6)
- ☐
- Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted
PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

United States Postal Inspector Services

- ☐
- person is awaiting trial in another Federal or State Court, give name of court

- ☐
- this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

- ☐
- this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

- ☐
- this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

- ☐
- prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form JOSEPH P. RUSSONIELLO

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned)

TIMOTHY J. LUCEY

ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**
☐ SUMMONS ☒ NO PROCESS* ☐ WARRANT

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

Bail Amount: _____

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: _____ Before Judge: _____

Comments:

1.1

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT ☐ SUPERSEDING

OFFENSE CHARGED**VIOLATION:**

Count 1: Title 18 USC, Section 1349 - Conspiracy to Commit Wire Fraud
Counts 2-10: Title 18 USC, Section 1343 - Wire Fraud

☐ Petty
☐ Minor
☐ Misdemeanor
☒ Felony

PENALTY: Up to 20 years imprisonment; Fine \$250,000; Supervised Release up to 3 years and \$100 Special Assessment.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

DEFENDANT - U.S.

LLOYD MYERS

DISTRICT COURT NUMBER

CR09

1195

JF

DEFENDANT

RS

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

1) ☒ If not detained give date any prior summons was served on above charges

2) ☐ Is a Fugitive

3) ☐ Is on Bail or Release from (show District)

IS IN CUSTODY

4) ☐ On this charge

5) ☐ On another conviction

☐ Federal ☐ State

6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

United States Postal Inspector Services

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form JOSEPH P. RUSSONIELLO

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned) TIMOTHY J. LUCEY

ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**

☐ SUMMONS ☒ NO PROCESS* ☐ WARRANT

Bail Amount: _____

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: _____

Before Judge: _____

Comments:

Δ2